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The Aluminum Situation

Department of Economics and Statistics **June 1987**

1987 Shipments Down Slightly

Total industry net shipments for four months 1987, at an estimated 5,390 million pounds, were down 0.4 percent from the four month 1986 total of 5,410 million pounds.

Domestic shipments of 4,998 million pounds were 1.6 percent less than the four month 1986 total of 5,080 million pounds.

Imports of ingot and mill products were down 3.6 percent and exports were up 18.6 percent.

Thru April 1987

	4 Mos. 1987	4 Mos. 1986	% Change
Mill Products	4,240	4,256	- 0.4%
Ingot	1,150	1,154	- 0.4%
Total	5,390	5,410	- 0.4%
Less Exports	391	330	+18.6%
Domestic Total	4,998	5,080	- 1.6%

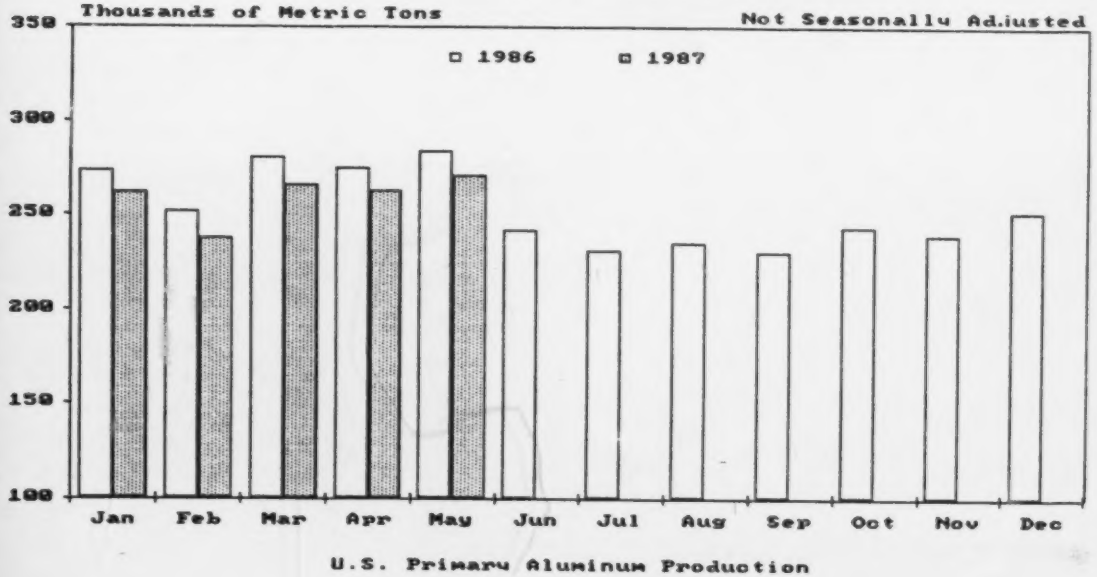
Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 4.3 Percent

U.S. primary aluminum production averaged 8,741 metric tons daily during May 1987, compared with an average 9,176 metric tons per day in May 1986.

The annual rate of production in May 1987 was 3,190,404 metric tons, compared to 3,349,099 metric tons in May 1986. The April 1987 annual rate was 3,199,041 metric tons. Actual production in May 1987 was 270,966 metric tons.

Primary Production



U.S. Primary Aluminum Production

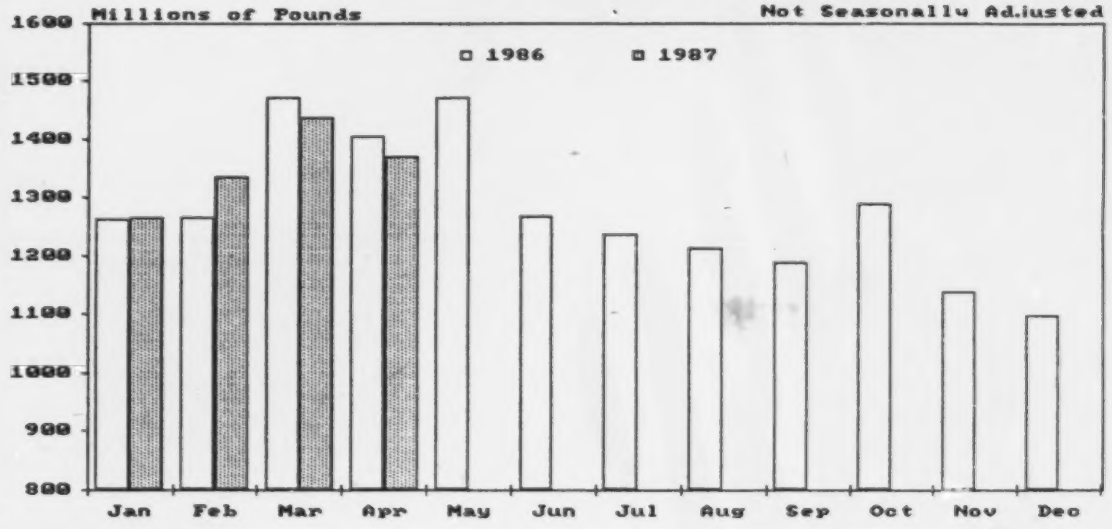
Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Net Shipments Down 0.4 Percent

Estimated total industry net shipments of 5,390 million pounds for four months of 1987 were down 0.4 percent from the four month 1986 total of 5,410 million pounds. Exports were up 18.6 percent. Domestic shipments showed a 1.6 percent decrease from a year ago. April shipments of 1,359 million pounds were down 3.3 percent versus a year ago.

Aluminum Net Shipments



U.S. Aluminum Industry Net Shipments

Net Shipments

(Millions of Pounds)

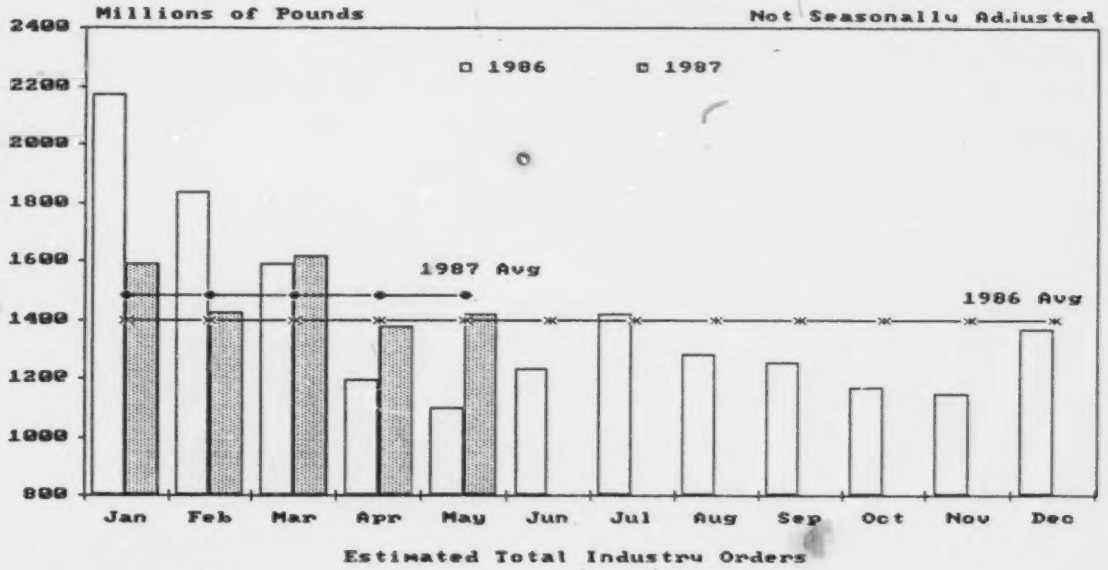
	1987 Apr.	1986 Apr.	1987 4 Mos.	1986 4 Mos.	% Change YTD 1987 vs. 1986
Sheet	583.4	597.7	2,246.3	2,205.5	+ 1.8%
Plate	21.6	25.9	92.1	92.9	- 0.9%
Foil	72.9	79.6	290.3	307.5	- 5.6%
Rod, Bar & Wire	31.4	35.0	118.7	129.5	- 8.3%
Electrical Conductor	53.9	60.6	197.7	213.5	- 7.4%
Extruded Shapes & Tube	226.6	242.2	887.7	918.8	- 3.4%
Powder & Paste	6.6	9.6	29.3	33.9	-13.7%
Forgings & Impacts	12.8	13.3	51.1	50.7	+ 0.8%
Net Imports of Mill Products (Total)(a)	84.0	64.5	327.0	303.7	+ 7.7%
Total Mill Products	1,093.2	1,128.4	4,240.2	4,256.0	- 0.4%
Ingot(b)	265.7	276.6	1,149.5	1,154.0	- 0.4%
TOTAL INDUSTRY SHIPMENTS	1,358.9	1,405.0	5,389.7	5,410.0	- 0.4%
Exports	105.8	69.2	391.3	329.8	+18.6%
TOTAL DOMESTIC SHIPMENTS	1,253.1	1,335.8	4,998.4	5,080.2	- 1.6%

Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

May Net New Orders Show Continuing Increase

Estimated net new order receipts for five months of 1987 at 7,423 million pounds were down 5.8 percent versus the first five months of 1986 total of 7,880 million pounds. May orders of 1,418 million pounds were up 29.2 percent versus a year ago.

Order Receipts



Order Receipts

(Millions of Pounds)

	1987* May	1986 May	1987 5 Mos.	1986 5 Mos.	% Change YTD 1987 vs. 1986
Can Stock(a)	268.4	207.0	1,585.1	1,583.9	+ 0.1%
Sheet & Plate, Other	394.9	275.1	2,129.2	1,811.1	+17.6%
Foil	61.8	64.8	394.6	368.8	+ 7.0%
Rod, Bar & Wire	26.9	20.2	163.3	147.5	+10.7%
Electrical Conductor	56.1	54.5	281.6	275.7	+ 2.1%
Extruded Products	231.2	183.5	1,555.4	1,209.7	+28.6%
Powder & Paste	5.0	8.5	21.4	39.6	-46.0%
Forgings & Impacts	6.7	6.9	54.0	52.9	+ 2.1%
Domestic Mill Products	1,051.0	820.5	6,184.6	5,489.2	+12.7%
Ingot (Total)	175.2	224.5	745.9	2,028.1	-63.2%
TOTAL DOMESTIC	1,226.2	1,045.0	6,930.5	7,517.3	- 7.8%
Exports	191.8	52.2	492.5	363.1	+35.6%
TOTAL ALL PRODUCTS	1,418.0	1,097.2	7,423.0	7,880.4	- 5.8%

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

Producer Inventories Continue to Decline in April

Producer inventories decreased an estimated 50 million pounds in March 1987 from the revised February 1987 level of 4,864 million pounds

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated**	Smelters	Non-Integrated
Dec 84	5,850	4,692	229	929
Month	**Total***	**Ingot**	**Scrap**	**All Other**
Dec 85	5,165	2,235	567	2,363
May 86	5,045	1,840	591	2,614
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927	1,896	622	2,409
Nov 86	4,902	1,879	598	2,425
Dec 86	4,928	1,971	632	2,324
Jan 87	4,947	1,933	601	2,413
Feb 87	4,784r	1,693r	582r	2,509r
Mar 87	4,702r	1,623r	561r	2,518r
Apr 87	4,592	1,523	561	2,508

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. **Number of integrated producers lower effective January 1987.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1987 Apr.	1986 Apr.	1987 4 Mos.	1986 4 Mos.	% Change 1987 vs. 1986
Imports	Mill Products	69.7	73.9	334.9	344.3	- 2.7%
	Ingot	211.9	288.3	933.2	970.9	- 3.9%
	Total	281.6	362.2	1,268.1	1,315.2	- 3.6%
	Scrap (+ dross)	33.0	26.6	141.8	105.5	+34.4%
	Grand Total	314.6	388.8	1,409.9	1,420.7	- 0.8%
Exports	Mill Products	53.7	40.9	205.5	157.2	+30.7%
	Ingot	52.1	28.3	185.8	172.6	+ 7.6%
	Total	105.8	69.2	391.3	329.8	+18.6%
	Scrap	74.6	55.6	264.1	255.5	+ 3.4%
	Grand Total	180.4	124.8	655.4	585.3	+12.0%
Net Imports		134.2	264.0	754.5	835.4	- 9.7%

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.